

# Agricultural Research and Extension Service

Analyst: Freeman

## Historical Summary

| OPERATING BUDGET                | FY 2006<br>Total App | FY 2006<br>Actual | FY 2007<br>Approp | FY 2008<br>Request | FY 2008<br>Gov Rec |
|---------------------------------|----------------------|-------------------|-------------------|--------------------|--------------------|
| <b>BY FUND CATEGORY</b>         |                      |                   |                   |                    |                    |
| General                         | 25,491,600           | 25,479,500        | 26,129,000        | 38,706,300         | 27,665,700         |
| Dedicated                       | 1,120,800            | 905,700           | 321,900           | 231,900            | 239,900            |
| Federal                         | 4,599,500            | 4,917,900         | 4,599,500         | 4,599,500          | 4,782,000          |
| <b>Total:</b>                   | <b>31,211,900</b>    | <b>31,303,100</b> | <b>31,050,400</b> | <b>43,537,700</b>  | <b>32,687,600</b>  |
| Percent Change:                 |                      | 0.3%              | (0.8%)            | 40.2%              | 5.3%               |
| <b>BY OBJECT OF EXPENDITURE</b> |                      |                   |                   |                    |                    |
| Personnel Costs                 | 0                    | 26,710,200        | 0                 | 0                  | 0                  |
| Operating Expenditures          | 0                    | 3,652,200         | 0                 | 0                  | 0                  |
| Capital Outlay                  | 0                    | 940,700           | 0                 | 0                  | 0                  |
| Lump Sum                        | 31,211,900           | 0                 | 31,050,400        | 43,537,700         | 32,687,600         |
| <b>Total:</b>                   | <b>31,211,900</b>    | <b>31,303,100</b> | <b>31,050,400</b> | <b>43,537,700</b>  | <b>32,687,600</b>  |
| Full-Time Positions (FTP)       | 374.71               | 375.47            | 375.47            | 370.46             | 370.46             |

## Division Description

The University of Idaho's College of Agricultural and Life Sciences has a land grant mandated, three-pronged mission: education, research, and extension. The education component is funded through the UI's portion of the College and Universities' general education appropriation. The research and extension components are funded directly via this appropriation to the Agricultural Research & Extension Service (ARES).

Agricultural research scientists are located at the campus in Moscow and the Caine Veterinary Teaching Center at Caldwell; at Research and Extension Centers at Aberdeen, Boise, Caldwell, Idaho Falls, Kimberly, Parma, Salmon, Sandpoint, Teton, and Twin Falls; and at the USDA/ARS Soil and Water Laboratory at Kimberly. University research support staff are also located at the USDA/ARS Sheep Experiment Station in Dubois. ARES work includes research on major Idaho agricultural products and on economic activities that apply to the state as a whole.

The Cooperative Extension Service has offices in 42 of Idaho's 44 counties (all except Boise and Shoshone counties) under the leadership of men and women who are specially trained to work with agriculture, families, youth and communities. The educational programs of these College of Agricultural and Life Sciences faculty members are supported cooperatively by county, state and federal funding.

Appropriated funding provides base support for agricultural research and extension programming, and also provides leverage to generate additional grant and contract funding for ongoing program needs. Appropriated funding is also redirected for new programs as old programs are modified or eliminated.

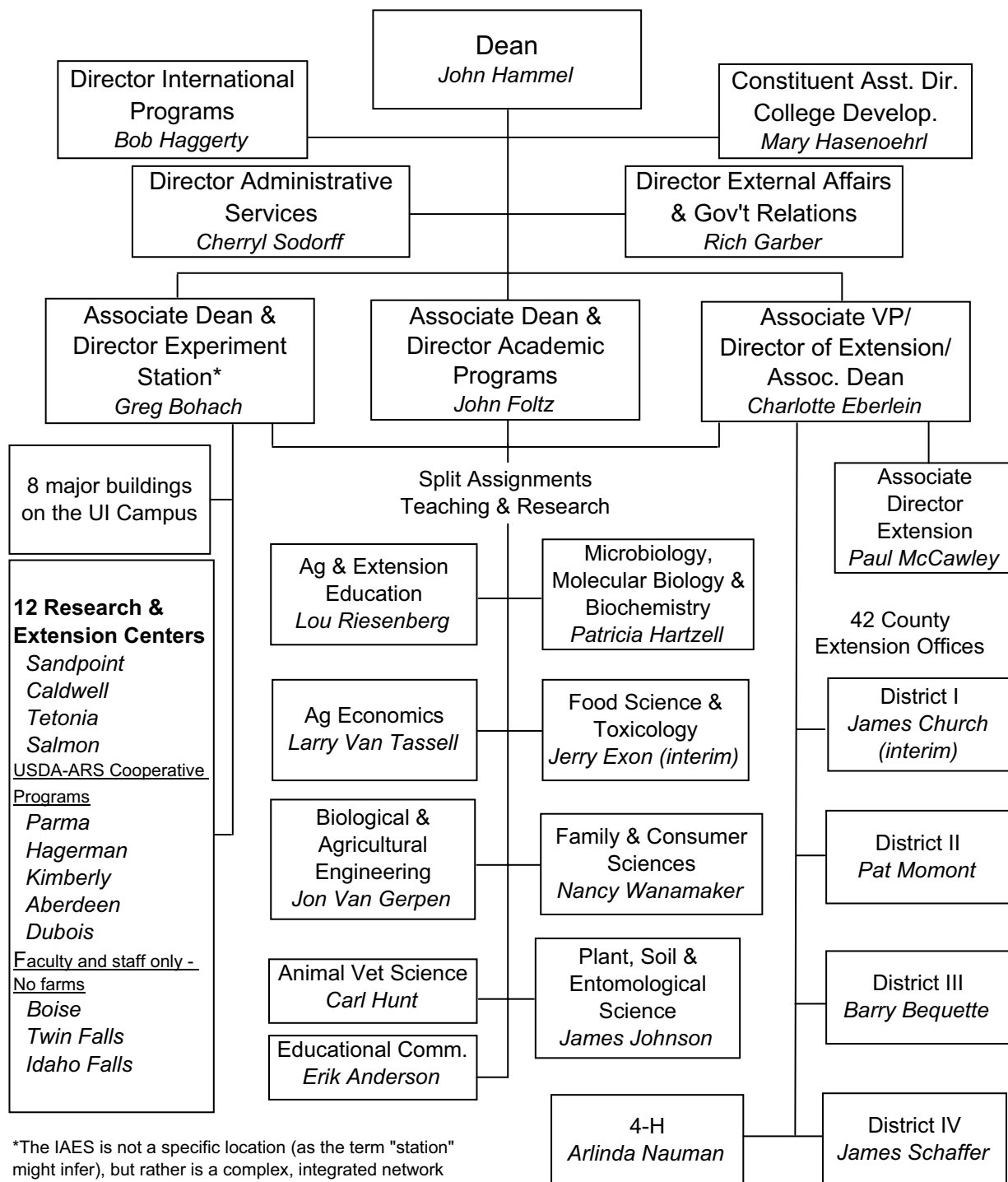
# Agricultural Research and Extension Service

## Agency Profile

Analyst: Freeman

### Organizational Chart

#### University of Idaho - College of Agricultural & Life Sciences



\*The IAES is not a specific location (as the term "station" might infer), but rather is a complex, integrated network of locations, facilities, and faculty and staff all dedicated to performing agricultural research in support of Idaho's agricultural industry.

# Agricultural Research and Extension Service

## Agency Profile

Analyst: Freeman

### University of Idaho College of Agricultural & Life Sciences

FY 2007 Estimated Operating Revenue, All Sources

\$73,543,500

44.8% State General Funds

| Where Budgeted  | Fund Source                  | Amount by Source     | % of Total    |
|---|------------------------------|----------------------|---------------|
| <b>Appropriated in College &amp; Universities \$4,968,100</b> |                              |                      |               |
| State General Education                                       | General Fund                 | 4,968,100            | 6.8%          |
| <b>Appropriated In Special Programs \$1,775,000</b>           |                              |                      |               |
| WOI Veterinary Education                                      | General Fund                 | 1,775,000            | 2.4%          |
| <b>Not Appropriated \$35,750,000 48.6%</b>                    |                              |                      |               |
| Off-budget  | Grants & Contracts           | 18,000,000           | 24.5%         |
| Off-budget  | County Expenditures          | 3,500,000            | 4.8%          |
| Off-budget  | Gifts & Miscellaneous        | 5,000,000            | 6.8%          |
| Off-budget  | Local Service Funds          | 9,250,000            | 12.6%         |
| <b>Appropriated in ARES \$31,050,400 42.2%</b>                |                              |                      |               |
| Research  | General Fund*                | 15,859,500           | 21.6%         |
| Extension   | General Fund                 | 10,359,500           | 14.1%         |
| Equine Education  | Equine Education Fund        | 50,000               | 0.1%          |
| Research & Extension  | Miscellaneous Revenue Fund** | 181,900              | 0.2%          |
| Research & Extension  | Federal Funds**              | 4,599,500            | 6.3%          |
| <b>Total</b>  |                              | <b>\$ 73,543,500</b> | <b>100.0%</b> |

\* Includes \$90,000 for one-time capital replacement.

### ARES Only Expenditures, Appropriation, and Request

| Sources of Funds  | FY 2006 Expenditures | Percent of Total | FY 2007 Orig. Approp. | FY 2008 Request      |
|---|----------------------|------------------|-----------------------|----------------------|
| <b>1. General Fund</b>  | \$ 25,479,500        | 81.4%            | \$ 26,129,000         | \$ 38,706,300        |
| The General Fund consists of moneys from income taxes, sales tax, and other miscellaneous sources. ARES uses about 60% of its appropriation for Research and 40% for Extension.   |                      |                  |                       |                      |
| <b>2. Econ. Recovery Reserve Fund</b>   | 802,800              | 2.6%             | 90,000                | 0                    |
| Source: 29¢ of the 57¢ per pack cigarette tax. This fund was used for the 27th pay period in FY 2006 and one-time capital replacement in FY 2007.   |                      |                  |                       |                      |
| <b>3. Equine Education Fund</b>   | 25,100               | 0.1%             | 50,000                | 50,000               |
| Equine Education funds are collected by the Idaho Racing Commission. They are a portion of the handle generated by pari-mutuel horse racing wagering in the state in accordance with Idaho Code §54-2513(B)(4). Funds are used by the veterinary science program to enhance the work conducted at the Northwest Equine Reproduction Laboratory. |                      |                  |                       |                      |
| <b>4. Miscellaneous Revenue Fund**</b>  | 77,800               | 0.2%             | 181,900               | 181,900              |
| Miscellaneous Revenue is generated primarily from ARES farming operations, and to a lesser extent, conferences, publications, and other research and extension activities.  |                      |                  |                       |                      |
| <b>5. Federal Funds**</b>   | 4,917,900            | 15.7%            | 4,599,500             | 4,599,500            |
| ARES receives Hatch Formula Funds, Hatch Regional Research Funds, Smith-Lever Formula Funds and Farm Safety Funds. Hatch Act funding is used for ag research and supports the agricultural experiment stations. Smith-Lever funds are allocated to extension. Farm Safety funds are earmarked to support farm safety research and extension.    |                      |                  |                       |                      |
| <b>Total</b>  | <b>\$ 31,303,100</b> | <b>100.0%</b>    | <b>\$ 31,050,400</b>  | <b>\$ 43,537,700</b> |

\*\* These funds are in the appropriation bill for informational purposes only and are not controlled in the Statewide Accounting and Reporting System (STARS).

# Agricultural Research and Extension Service

## Agency Profile

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### FY 2006 ARES Off-Campus FTE & Appropriated Dollars

| Location   | FTE          | Appropriated Dollars |
|--|--------------|----------------------|
| <b><u>DISTRICT I</u></b>                         |              |                      |
| • Sandpoint R&E Center                           | 3.0          | \$225,400            |
| • Coeur d'Alene                                  | 3.5          | \$332,700            |
| • 9 County Extension Offices                     | 14.5         | \$1,064,800          |
| <b>Total</b>                                     | <b>21.0</b>  | <b>\$1,622,900</b>   |
| <b><u>DISTRICT II</u></b>                        |              |                      |
| • Caldwell/Caine Center                          | 22.1         | \$2,734,500          |
| • Parma R&E Center                               | 17.9         | \$1,298,700          |
| • Boise Center                                   | 10.7         | \$872,900            |
| • 9 County Extension Offices                     | 15.5         | \$1,110,900          |
| <b>Total</b>                                     | <b>66.2</b>  | <b>\$6,017,000</b>   |
| <b><u>DISTRICT III</u></b>                       |              |                      |
| • Twin Falls R&E Center                          | 21.7         | \$1,702,200          |
| • Kimberly R&E Center                            | 12.5         | \$850,500            |
| • 11 County Extension Offices                    | 18.0         | \$1,298,000          |
| <b>Total</b>                                     | <b>52.2</b>  | <b>\$3,850,700</b>   |
| <b><u>DISTRICT IV</u></b>                        |              |                      |
| • Aberdeen R&E Center                            | 29.3         | \$1,732,000          |
| • Tetonia R&E Center                             | 4.0          | \$255,900            |
| • Idaho Falls R&E Center                         | 11.5         | \$902,800            |
| • 13 County Extension Offices                    | 19.2         | \$1,391,000          |
| <b>Total</b>                                     | <b>64.0</b>  | <b>\$4,281,700</b>   |
| <b>GRAND TOTAL</b>                               | <b>203.4</b> | <b>\$15,772,300</b>  |
| • <b>Percent FTE Off-Campus</b>                  | <b>55%</b>   |                      |
| • <b>Percent Appropriated Dollars Off-Campus</b> | <b>51%</b>   |                      |

| <b>ARES Farm Equipment Aging Analysis as of June 30, 2006</b> |            |             |            |            |            |
|---|------------|-------------|------------|------------|------------|
| DESCRIPTION   | Number     | Age (Years) |            |            |            |
|   |            | >5          | 5-14       | 15-20      | >20        |
| Auto  | 13         | 2           | 10         | 0          | 1          |
| Trucks  | 101        | 18          | 47         | 20         | 16         |
| SUVs  | 16         | 7           | 4          | 4          | 1          |
| Vans  | 13         | 1           | 9          | 2          | 1          |
| Trailers  | 37         | 8           | 10         | 7          | 12         |
| Tractors  | 76         | 9           | 17         | 10         | 40         |
| Ag Equipment  | 147        | 19          | 32         | 32         | 64         |
| Sprayers  | 11         | 3           | 4          | 0          | 4          |
| Microscopes   | 90         | 23          | 25         | 22         | 20         |
| Lab Equipment   | 385        | 89          | 200        | 57         | 39         |
| <b>Total</b>  | <b>889</b> | <b>179</b>  | <b>358</b> | <b>154</b> | <b>198</b> |
| <b>% of Total</b>   |            | <b>20%</b>  | <b>40%</b> | <b>17%</b> | <b>22%</b> |

# Agricultural Research and Extension Service

Analyst: Freeman

## Comparative Summary

| Decision Unit                          | Agency Request |                   |                   | Governor's Rec |                   |                   |
|--|----------------|-------------------|-------------------|----------------|-------------------|-------------------|
|  | FTP            | General           | Total             | FTP            | General           | Total             |
| <b>FY 2007 Original Appropriation</b>  | <b>375.47</b>  | <b>26,129,000</b> | <b>31,050,400</b> | <b>375.47</b>  | <b>26,129,000</b> | <b>31,050,400</b> |
| Non-Cognizable Funds and Transfers     | (5.01)         | 0                 | 0                 | (5.01)         | 0                 | 0                 |
| <b>FY 2007 Estimated Expenditures</b>  | <b>370.46</b>  | <b>26,129,000</b> | <b>31,050,400</b> | <b>370.46</b>  | <b>26,129,000</b> | <b>31,050,400</b> |
| Removal of One-Time Expenditures       | 0.00           | 0                 | (90,000)          | 0.00           | 0                 | (90,000)          |
| <b>FY 2008 Base</b>                    | <b>370.46</b>  | <b>26,129,000</b> | <b>30,960,400</b> | <b>370.46</b>  | <b>26,129,000</b> | <b>30,960,400</b> |
| Benefit Costs                          | 0.00           | 54,600            | 54,600            | 0.00           | 0                 | 0                 |
| Inflationary Adjustments               | 0.00           | 51,600            | 51,600            | 0.00           | 0                 | 0                 |
| Replacement Items                      | 0.00           | 500,000           | 500,000           | 0.00           | 500,000           | 500,000           |
| Change in Employee Compensation        | 0.00           | 859,100           | 859,100           | 0.00           | 1,036,700         | 1,227,200         |
| <b>FY 2008 Program Maintenance</b>     | <b>370.46</b>  | <b>27,594,300</b> | <b>32,425,700</b> | <b>370.46</b>  | <b>27,665,700</b> | <b>32,687,600</b> |
| 1. Salary Competitiveness              | 0.00           | 1,112,000         | 1,112,000         | 0.00           | 0                 | 0                 |
| 2. Ctr. for Livestock & Envtl. Studies | 0.00           | 10,000,000        | 10,000,000        | 0.00           | 0                 | 0                 |
| Lump Sum Adjustment                    | 0.00           | 0                 | 0                 | 0.00           | 0                 | 0                 |
| <b>FY 2008 Total</b>                   | <b>370.46</b>  | <b>38,706,300</b> | <b>43,537,700</b> | <b>370.46</b>  | <b>27,665,700</b> | <b>32,687,600</b> |
| Change from Original Appropriation     | (5.01)         | 12,577,300        | 12,487,300        | (5.01)         | 1,536,700         | 1,637,200         |
| % Change from Original Appropriation   |                | 48.1%             | 40.2%             |                | 5.9%              | 5.3%              |

# Agricultural Research and Extension Service

Analyst: Freeman

| Budget by Decision Unit               | FTP    | General    | Dedicated | Federal   | Total      |
|---------------------------------------|--------|------------|-----------|-----------|------------|
| <b>FY 2007 Original Appropriation</b> | 375.47 | 26,129,000 | 321,900   | 4,599,500 | 31,050,400 |

## Non-Cognizable Funds and Transfers

Reflects lump sum adjustments, FTP adjustment and base funding object transfers.

|                           |        |   |   |   |   |
|---------------------------|--------|---|---|---|---|
| Agency Request            | (5.01) | 0 | 0 | 0 | 0 |
| Governor's Recommendation | (5.01) | 0 | 0 | 0 | 0 |

|                                       |        |            |         |           |            |
|---------------------------------------|--------|------------|---------|-----------|------------|
| <b>FY 2007 Estimated Expenditures</b> |        |            |         |           |            |
| Agency Request                        | 370.46 | 26,129,000 | 321,900 | 4,599,500 | 31,050,400 |
| Governor's Recommendation             | 370.46 | 26,129,000 | 321,900 | 4,599,500 | 31,050,400 |

## Removal of One-Time Expenditures

Remove funding provided for one-time items.

|                           |      |   |          |   |          |
|---------------------------|------|---|----------|---|----------|
| Agency Request            | 0.00 | 0 | (90,000) | 0 | (90,000) |
| Governor's Recommendation | 0.00 | 0 | (90,000) | 0 | (90,000) |

|                           |        |            |         |           |            |
|---------------------------|--------|------------|---------|-----------|------------|
| <b>FY 2008 Base</b>       |        |            |         |           |            |
| Agency Request            | 370.46 | 26,129,000 | 231,900 | 4,599,500 | 30,960,400 |
| Governor's Recommendation | 370.46 | 26,129,000 | 231,900 | 4,599,500 | 30,960,400 |

## Benefit Costs

Reflects the employer-paid portion of estimated changes in employee benefit costs. Since the UI does not participate in the state's health insurance group plan, the state covers up to the state's projected per FTE health insurance costs. The UI did not participate in the health insurance rebate in FY 2007, but instead received \$250 per FTE. Thus for FY 2008 the UI is entitled to the difference between the projected increase of \$350 and the amount received last year, \$100 per position. Also includes the employer-paid portion of estimated changes in employee benefit costs.

The federal funds received by ARES are capped and cannot be increased to cover new costs such as Maintenance of Current Operations (MCO) increases. Essentially the same thing is true with the dedicated funds (Equine Education and Miscellaneous Revenue) received by ARES as they are not expected to grow. As such, this decision unit includes a fund shift of \$8,500 in dedicated and federal fund costs to the General Fund. ARES makes this request to allow all existing federal and dedicated funds to continue to be used for programs and services instead of MCO increases.

|   |      |        |   |   |        |
|---|------|--------|---|---|--------|
| Agency Request                          | 0.00 | 54,600 | 0 | 0 | 54,600 |
| <i>Not recommended by the Governor.</i> |      |        |   |   |        |
| Governor's Recommendation               | 0.00 | 0      | 0 | 0 | 0      |

## Inflationary Adjustments

Includes a general inflationary increase calculated by subtracting statewide allocation plan costs and applying a 1.81% increase for all remaining operating expenditures.

|   |      |        |   |   |        |
|---|------|--------|---|---|--------|
| Agency Request                          | 0.00 | 51,600 | 0 | 0 | 51,600 |
| <i>Not recommended by the Governor.</i> |      |        |   |   |        |
| Governor's Recommendation               | 0.00 | 0      | 0 | 0 | 0      |

## Replacement Items

Telescoping front-end loader (\$70,000), autoclave (\$50,000), plot combine (\$150,000), 3 tractors (\$150,000), 2 forklifts (\$30,000), and manure spreader truck (\$50,000)

|                           |      |         |   |   |         |
|---------------------------|------|---------|---|---|---------|
| Agency Request            | 0.00 | 500,000 | 0 | 0 | 500,000 |
| Governor's Recommendation | 0.00 | 500,000 | 0 | 0 | 500,000 |

# Agricultural Research and Extension Service

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|-------------------------|-----|---------|-----------|---------|-------|
|-------------------------|-----|---------|-----------|---------|-------|

## Change in Employee Compensation

Reflects the calculated cost of a 3.5% salary increase for permanent and group positions.

The federal funds received by ARES are capped and cannot be increased to cover new costs such as Maintenance of Current Operations (MCO) increases. Essentially the same thing is true with the dedicated funds (Equine Education and Miscellaneous Revenue) received by ARES as they are not expected to grow. As such, this decision unit includes a fund shift of \$134,400 in dedicated and federal fund costs to the General Fund. ARES makes this request to allow all existing federal and dedicated funds to continue to be used for programs and services instead of MCO increases.

|                |      |         |   |   |         |
|----------------|------|---------|---|---|---------|
| Agency Request | 0.00 | 859,100 | 0 | 0 | 859,100 |
|----------------|------|---------|---|---|---------|

*The Governor recommends a compensation increase of 5% to be distributed based on merit. Fund shift for miscellaneous and federal funds (not controlled by STARS) related to CEC not recommended.*

|                           |      |           |       |         |           |
|---------------------------|------|-----------|-------|---------|-----------|
| Governor's Recommendation | 0.00 | 1,036,700 | 8,000 | 182,500 | 1,227,200 |
|---------------------------|------|-----------|-------|---------|-----------|

## FY 2008 Program Maintenance

|                |        |            |         |           |            |
|----------------|--------|------------|---------|-----------|------------|
| Agency Request | 370.46 | 27,594,300 | 231,900 | 4,599,500 | 32,425,700 |
|----------------|--------|------------|---------|-----------|------------|

|                           |        |            |         |           |            |
|---------------------------|--------|------------|---------|-----------|------------|
| Governor's Recommendation | 370.46 | 27,665,700 | 239,900 | 4,782,000 | 32,687,600 |
|---------------------------|--------|------------|---------|-----------|------------|

### 1. Salary Competitiveness

Consistent with all of higher education, ARES is requesting a 4.5% increase in personnel costs for salaries. This would be in addition to the 3.5% CEC requested per the budget development guidelines.

|                |      |           |   |   |           |
|----------------|------|-----------|---|---|-----------|
| Agency Request | 0.00 | 1,112,000 | 0 | 0 | 1,112,000 |
|----------------|------|-----------|---|---|-----------|

*Not recommended by the Governor.*

|                           |      |   |   |   |   |
|---------------------------|------|---|---|---|---|
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
|---------------------------|------|---|---|---|---|

### 2. Ctr. for Livestock & Env'tl. Studies

This line item would provide approximately 40% of the funding needed for the development and construction of a Center for Livestock and Environmental Studies. The formation of this facility would be a partnership of the state, UI, the College of Agricultural and Life Sciences and the Idaho Dairy Association. In addition, partnerships in educational and research programming would also be formed with other state, federal and industry entities.

|                |      |            |   |   |            |
|----------------|------|------------|---|---|------------|
| Agency Request | 0.00 | 10,000,000 | 0 | 0 | 10,000,000 |
|----------------|------|------------|---|---|------------|

*See Governor's recommendation in the Permanent Building Fund Advisory Council budget on page 6-20.*

|                           |      |   |   |   |   |
|---------------------------|------|---|---|---|---|
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
|---------------------------|------|---|---|---|---|

### Lump Sum Adjustment

The agency requests the amounts without restriction to personnel costs, operating expenditures, capital outlay or trustee and benefit payments. Because lump sum is an exception to the state budget laws, it requires specific legislative authorization and approval.

|                |      |   |   |   |   |
|----------------|------|---|---|---|---|
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
|----------------|------|---|---|---|---|

|                           |      |   |   |   |   |
|---------------------------|------|---|---|---|---|
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
|---------------------------|------|---|---|---|---|

## FY 2008 Total

|                |        |            |         |           |            |
|----------------|--------|------------|---------|-----------|------------|
| Agency Request | 370.46 | 38,706,300 | 231,900 | 4,599,500 | 43,537,700 |
|----------------|--------|------------|---------|-----------|------------|

|                           |        |            |         |           |            |
|---------------------------|--------|------------|---------|-----------|------------|
| Governor's Recommendation | 370.46 | 27,665,700 | 239,900 | 4,782,000 | 32,687,600 |
|---------------------------|--------|------------|---------|-----------|------------|

Agency Request

|                          |        |            |          |   |            |
|--------------------------|--------|------------|----------|---|------------|
| Change from Original App | (5.01) | 12,577,300 | (90,000) | 0 | 12,487,300 |
|--------------------------|--------|------------|----------|---|------------|

|                            |        |       |         |      |       |
|----------------------------|--------|-------|---------|------|-------|
| % Change from Original App | (1.3%) | 48.1% | (28.0%) | 0.0% | 40.2% |
|----------------------------|--------|-------|---------|------|-------|

Governor's Recommendation

|                          |        |           |          |         |           |
|--------------------------|--------|-----------|----------|---------|-----------|
| Change from Original App | (5.01) | 1,536,700 | (82,000) | 182,500 | 1,637,200 |
|--------------------------|--------|-----------|----------|---------|-----------|

|                            |        |      |         |      |      |
|----------------------------|--------|------|---------|------|------|
| % Change from Original App | (1.3%) | 5.9% | (25.5%) | 4.0% | 5.3% |
|----------------------------|--------|------|---------|------|------|